



Irish Life Weekly Investment Bulletin

The week that was – WEEK 17 (ending 28/04/2017)

“They muddy the water, to make it seem deep.” – Friedrich Nietzsche

Eurozone inflation jumps to 1.2% in April – The European Commission’s statistics bureau on Friday reported that the annual rate of core inflation had shot up from 0.7% in March to 1.2% in April. The core inflation measure strips out changes in food and oil prices so is seen as a better measure of price pressures.

Trump tax reform plan released as 100th day comes – Two days before his first 100 days in office, the Trump administration published the tax proposals it will send to Congress. They included a cut in corporation tax from 35% to 15%, a reduction from seven tax brackets to three but surprisingly no ‘border adjustment tax’.

Global stock market up 1.9% on the week – The MSCI AC World TR Index showed a 1.92% return from 21st to 28th April after good news on corporate earnings in Quarter 1, the positive outcome of the first round of French presidential elections and the publication of Trump’s tax plans. Volatility reduced to 10.6 from 14.7.

ECB keeps interest rates and stimulus package unchanged – The European Central Bank gave no signs it is ready to wind down its monetary stimulus despite an economic rebound in the eurozone with ECB President Mario Draghi saying “monetary accommodation is still needed for underlying inflation pressures to build up”.

Growth slows in U.K. and the U.S. in Q1 – The Office for National Statistics said GDP growth in the U.K. fell more than expected to 0.3% in the first quarter from 0.7% in the previous quarter as higher inflation hit consumer spending. The Bureau of Economic Analysis reported that U.S. GDP slowed to 0.7% from 2.1%.

Nasdaq hits 6,000 for first time – After gains in shares like Microsoft and Apple, the technology-heavy Nasdaq index broke through the 6,000 threshold for the first time, over 17 years since it first reached 5,000 – a sharp contrast to the 10 weeks it took for the index to jump from 4,000 to 5,000 during the tech bubble.

The Story of the week: U.S. clothing chain Nordstrom has launched a line of 'dirty' jeans which come with a 'crackled, caked-on muddy coating'. The new product is apparently aimed at those with plenty of spare funds, as they retail at \$425 for each pair. The firm's website describes the jeans as typifying 'rugged, Americana workwear' and 'hard-working action... that shows you're not afraid to get down and dirty'. Some reviewers, however, have not given them a clean bill of health, including the host of Discovery TV show Dirty Jobs, Mike Rowe. "Finally - a pair of jeans that look like they have been worn by someone with a dirty job... made for people who don't. The Barracuda Straight Leg Jeans aren't pants. They're not even fashion. They're a costume for wealthy people who see work as ironic ..."

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Index Performances and Market Data*

Equity Markets % (in Local Currency)	2012	2013	2014	2015	2016	2017 YTD (to 28/04)
ISEQ Overall Return	20.5	35.8	16.8	33.6	-2.7	6.2
FTSE 100 TR	10.0	18.7	0.7	-1.3	19.1	2.2
Euro Stoxx 50 TR	18.1	21.5	4.0	6.4	3.7	8.9
S&P 500 TR	16.0	32.4	13.7	1.4	12.0	7.2
Nasdaq Composite	15.9	38.3	13.4	5.7	7.5	12.3
Nikkei 225	22.9	56.7	7.1	9.1	0.4	0.4
MSCI Emerging Markets	13.9	0.9	2.6	-8.0	7.1	9.8
MSCI AC World (Gross TR)	16.5	26.2	9.9	1.8	9.7	7.2
Sovereign 10yr Bond Yields (%)	2012	2013	2014	2015	2016	2017 YTD
U.S.	1.7	3.0	2.2	2.2	2.4	2.3
German	1.4	1.9	0.5	0.6	0.2	0.3
UK	1.9	3.0	1.9	1.9	1.2	1.1
Japan	0.7	0.7	0.3	0.2	0.0	0.0
Ireland	4.5	3.4	1.3	1.1	0.7	0.9
Italy	4.6	4.1	2.1	1.6	1.8	2.3
Greece	12.7	8.2	9.6	7.9	7.1	6.1
Portugal	6.9	6.1	2.7	2.5	3.8	3.6
Spain	5.4	4.1	1.6	1.7	1.4	1.7
Central Bank Rates (%)	2012	2013	2014	2015	2016	2017 YTD
ECB	0.75	0.25	0.05	0.05	0.0	0.0
Bank of England	0.5	0.25	0.50	0.50	0.25	0.25
U.S. Federal Reserve	0.25	0.25	0.25	0.50	0.75	1.00
Foreign Exchange Rates	2012	2013	2014	2015	2016	2017 YTD
Euro/Dollar (€/\$)	1.31	1.37	1.21	1.09	1.04	1.09
Euro/Sterling (€/£)	0.81	0.83	0.78	0.75	0.84	0.84
Sterling/Dollar (£/\$)	1.61	1.65	1.56	1.46	1.24	1.29
IPD All Property Return (%)	2012	2013	2014	2015	2016	2017
Ireland	3.1	12.7	40.1	25.0	12.8	N/A
U.K.	2.7	10.7	17.8	13.1	3.6	N/A
U.S.	5.3	11.4	11.2	12.1	7.8	N/A

*Past performance is not a reliable guide to future performance